



May 23, 1997

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Department of the Interior  
Minerals Management Service  
Attention: Rules Processing Team  
Mail Stop 4700  
381 Elden Street  
Herndon, VA 20170-4817

RE: NOPR, Oil Spill Financial Responsibility for Offshore Facilities

Dear Rules Processing Team:

This firm represents the Portland Pipe Line Corporation ("PPLC"), a marine terminaling and crude oil pipeline company, located in South Portland, Maine. PPLC transports crude oil (moving in foreign commerce under customs bond) via pipeline from South Portland to Montreal, Quebec. Before transportation by pipeline to Canada, the crude oil is unloaded from tankers at PPLC's pier facility in South Portland.

Although it is our understanding that the financial assurance requirements being proposed in the NOPR contained in the March 25, 1997, Federal Register, 62 Fed. Reg. 14052, would not apply to PPLC's operations in South Portland, we are submitting this comment letter on PPLC's behalf to request confirmation of our understanding.

The proposed rule would establish new requirements for demonstrating oil spill financial responsibility ("OSFR") for Covered Offshore Facilities ("COFs"). COFs may include pipelines, but only if they are used for exploring for, drilling for, or producing oil, or used for transporting oil from such facilities. 30 C.F.R. § 253.3 (proposed). Because pipeline facilities like PPLC's pipeline and appurtenant marine facilities (including a 1,000' finger pier and unloading pipelines) receive oil only from vessels, and not directly from a facility used for exploring for, drilling for, or producing oil, it is our understanding that COFs would not include pipeline facilities like PPLC's pipeline facilities, and that the OSFR requirements in the proposed rule therefore would not apply to pipeline facilities like those operated by PPLC.

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In your responses to comments on the NOPR, please confirm that our understanding, as set forth in the previous paragraph, is correct. Thank you for your attention to these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew D. Manahan", with a long horizontal flourish extending to the right.

Matthew D. Manahan

ENV:35611